

Michigan's Hardest-Hit Fund Frequently Asked Questions

Who will this plan help?

Michigan homeowners who are currently receiving unemployment compensation, homeowners who have fallen behind in their mortgage payments or taxes due to a temporary layoff or medical emergency, and those homeowners who can no longer afford their mortgage payments due to lower income.

What are the different options available to homeowners under this proposal?

Michigan's plan to distribute \$154.5 million in federal Hardest-Hit Funds includes three options: 1) Mortgage payment assistance of up to \$9,000 per household for homeowners currently receiving unemployment compensation, 2) Rescue funds up to \$5,000 per household for homeowners who have fallen behind in their mortgage payments due to an involuntary inability to pay, such as a temporary layoff or medical emergency and have overcome this obstacle, and 3) Federal matching funds up to \$10,000 per household for principal reductions for homeowners who can no longer afford their mortgage payments as a result of reduced income.

When can applications be submitted?

Over the next several weeks mortgage loan servicers will begin signing participation agreements. A list of participating servicers will be posted on our Web site, so please visit our Web site regularly. If your servicer is participating, contact your servicer directly to see if you are eligible.

The Michigan State Housing Development Authority (MSHDA) will begin accepting applications from mortgage loan servicers beginning Monday, July 12, 2010. MSHDA is the first of the nation's five state Housing Finance Agencies (HFAs) participating in the Obama Administration's Hardest-Hit Fund to implement its plan.

I'm interested. Now what?

Check our Web site at www.michigan.gov/HardestHit to see if your servicer is participating. If so, contact your mortgage loan servicer to see if you are eligible.

What if my mortgage loan servicer is not on the list?

Check back to our Web site regularly. The participating servicer list will be updated as new servicers are added.

I've been working with a homeownership counselor. Can they continue to help me?

Yes. These programs do not exclude the important role that counselors play in the loan modification or foreclosure prevention process.

Is there a household income limit?

There are no specific household income limits, however the amount and type of assistance is limited to hardest-hit individuals meeting the eligibility requirements.

Am I eligible if I am unemployed and my spouse is working?

Eligibility is determined by household income and the affordability of your mortgage payments, so you may be eligible even with your spouse working.

How will the applications be processed?

MSHDA is adding additional staff to review and process the applications from mortgage loan servicers on a first-come, first-served basis beginning July 12, with final approval of applications expected to occur within 48 hours of receipt of a complete application package.

When does MSHDA anticipate the state's \$154.5 million federal Hardest-Hit Fund will be depleted?

There is no deadline for the expiration of funding. MSHDA will continue to work with loan servicers and homeowners until the \$154.5 million in federal funds are completely allocated. MSHDA anticipates funds will be available for the next 12-18 months.

Can homeowners qualify for more than one program?

No. Homeowners will only be eligible for assistance through one program. Homeowners should work with their loan service provider to determine which program best suits their needs based on a review of the customers' financial situation.

How many Michigan homeowners could be helped under this plan?

The total number of households in Michigan who could receive benefits by participating in one of the three programs exceeds 17,000, including 11,000 households who are currently drawing unemployment benefits and are struggling to make monthly mortgage payments.

What is the role of Michigan banks and credit unions in this plan?

Michigan banks and credit unions have an integral part in the success of these new programs. Their loss mitigation staffs are familiar with the programs and eligibility criteria. They will work with homeowners to find the best option available.

Where can I find more information?

More information can be found by visiting the Michigan State Housing Development Authority Web site at www.michigan.gov/HardestHit or call toll-free 866-946-7432.

About MSHDA

The Michigan State Housing Development Authority is dedicated to building a thriving and vibrant future for Michigan. MSHDA provides tools and resources to improve people's lives through programs across the state. These programs assist with housing, build strong neighborhoods, and help create places where people want to live and work. MSHDA's programs work in four areas: affordable rental housing; supporting homeownership; ending homelessness; and creating vibrant cities and neighborhoods.*

*MSHDA's loan and operating expenses are financed through the sale of tax-exempt and taxable bonds as well as notes to private investors, not from state tax revenues. Proceeds are loaned at below-market interest rates to developers of rental housing, and help fund mortgages and home improvement loans. MSHDA also administers several federal housing programs. For further information go to www.michigan.gov/mshda.

###

Friday, June 25, 2010